

MINUTES OF THE LOCAL ISSUES TASK FORCE

Tuesday, June 19, 2007 – 9:00 a.m. – Room W110 House Building

Members Present:

Sen. Carlene M. Walker, Co-chair
Rep. Aaron Tilton, Co-chair
Sen. Scott D. McCoy
Sen. Howard A. Stephenson
Rep. John Dougall
Rep. Janice M. Fisher
Rep. Julie Fisher
Rep. Gregory H. Hughes
Rep. Todd E. Kiser
Rep. Karen W. Morgan

Staff Present:

Joseph Wade, Policy Analyst
Robert H. Rees, Associate General Counsel
Wendy Bangerter, Legislative Secretary

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Carlene Walker called the meeting to order at 9:23 a.m. She introduced the agenda for the day's meeting.

MOTION: Rep. Julie Fisher moved to approve the minutes of the May 23, 2007 meeting. The motion passed unanimously. Sen. Stephenson, Rep. Dougall, Rep. Tilton, and Rep. Hughes were absent for the vote.

2. School Building Finance

A. Background on School Building Finance

Mr. Phillip V. Dean, Policy Analyst, explained how funds are generated for schools in Utah using property taxes and income taxes. He distributed and reviewed "School Facility Funding." He also distributed and reviewed "2005 School District Property Tax Levy Rates" and used the example of the tax on a \$250,000 home that is for used by the school districts by county.

Mr. Larry Newton, School Finance Director, State Office of Education, answered questions and clarified points regarding the basic school program that funds everything from the Weighted Pupil Unit Fund and those needs that are funded from the Maintenance and Operation Fund. He also noted that the equalization program in existence currently is called the Capital Foundation and Enrollment Program. It has not been increased financially from the Legislature as was envisioned in the beginning so school districts have not joined in as was expected they would. It is based on the ability of school districts to fund their own projects and what effort local boards give to the fund. He explained that about 15 out of 40 school districts are eligible for the funds.

Rep. Tilton clarified that the discussion is focused on equalization of school building (capital outlay), and not the other funding categories.

Mr. Tracey Olsen, Business Administrator, Nebo School District, noted that Nebo School District has the highest tax rate but has one of the lowest enrollment, although they are soon to experience higher growth.

B. Statewide vs. Countywide Equalization Proposals

Mr. Dean introduced the issue of tax equalization for capital expenditures for school districts.

Chair Walker reviewed questions from the packet for the task force members to contemplate.

Sen. Stephenson distributed a working model of a statewide school facility funding equalization plan as well as "Equalization Option - Statewide." Assisted by Mr. Dean, he explained his statewide proposal.

Mr. Dean explained the language of the proposed legislation, "School Facility Funding Equalization."

Mr. Newton addressed a concern with the language of the bill as it erodes the basic levy.

Mr. Brian Allen, explained the countywide proposal. He said it is designed to meet the immediate need as opposed to the eventual need for a statewide solution. He emphasized that the capital outlay of the property tax only is being considered in his proposal to put a cap on the amount of taxes being collected for capital outlay, equalize that money across the counties, and allow local authority to determine where it is spent. He said that the distribution of the money would be tied to enrollment growth.

The Task Force asked Mr. Allen to provide numbers showing the impact of his proposal. They expressed the desire to have the money follow the student and the need to specify what dollars would be used specifically for renovation.

C. Additional Public Comment

Ms. Janet Roberts, Business Administrator for Salt Lake School District, expressed concern that with the countywide proposal, the tax burden would be on the taxpayers to fund for other districts.

Ms. Patty Murphy, Park City School District, stated that Park City has the benefit of taxpayers from out of state in the form of second homeowners. Her concern is about the distribution of funds for school districts that have difficulty funding new buildings. Small schools in a rural district are at a disadvantage to other districts.

Ms. Angela Davis, resident of Riverton City, asked how the east and west sides of Salt Lake Valley will be affected financially.

Chair Walker asked that numbers showing the impact of the Granite School District split and the Jordan School District split be presented at the next meeting.

Ms. Leona Winger, South Jordan City Council, cautioned the Task Force to not differentiate between where a child lives and their entitlement to equal education. She reminded them of the governor's efforts to increase fortune 100 and 500 companies. She also noted the success where school districts and

communities combine and share facilities. She noted the existence of a growing senior population that cannot sustain their homes with a growing taxation. South Jordan is looking at decreasing that for seniors.

3. Break for Lunch

The task force recessed for lunch at 12:15 p.m. and resumed at 1:15 p.m.

4. Forms of Municipal Government

A. Proposal from the Utah League of Cities and Towns

Mr. Lincoln Shurtz, Utah League of Cities and Towns, reviewed the procedure the League used to bring city mayors together to discuss forms of government. They came up with a proposal which they took to a working group and received their support.

Mr. Gary Crane, Layton City Attorney, distributed and reviewed "Outline of Municipal Forms of Government Ideas" and recommendations that resulted from the meetings. He stated that the recommendation would pressure the mayor and city council to work together and would address many of the conflict issues that have arisen.

B. Additional Public Comment

Mr. David Hogue, resident of Riverton City, reviewed the initiative process.

Ms. Linda Robertson, Bluffdale resident and sponsor to the referendum process in Bluffdale, spoke in favor of new statutes that would further define municipal leader roles and give the vote to the people. She stated that a referendum is a very cumbersome process for citizens to embark on.

Mr. Al Halbert, citizen of Bluffdale, expressed his feelings regarding Bluffdale's actions toward their city manager. He asked that the authority be given back to the people.

Ms. Claudia Anderson, mayor of Bluffdale, clarified those actions.

Mr. Danny Hammond, Syracuse City Council, commented that he researched the manager by ordinance form of government. He came to the conclusion that every city is different and could benefit from the flexibility to delegate responsibilities as they have people in place that can function in given areas. The council should define the duties of the city leader. He spoke in favor of the League's recommendations.

Ms. Michelle Stallings, resident of Lehi, addressed the fundamental duties of elected officials vs. a city employee. She recommended making the manager by ordinance an option available to the vote of the people. She feels that if a city council wants to make a change in form of government, they need to educate their people and put it to their vote.

Mr. DeLynn Summers, resident of Bluffdale City, spoke in favor of vote of the people, no matter what form.

Mr. Crane stated that because we are a representative form of government, the powers of the city council and mayor are broad and shared. He noted how many cities changed their form of government peacefully without a vote of the people. The League's recommendations focus on those situations where a nonpeaceful situation exists creating a peaceful solution. He stated that manager by ordinance form of government is beneficial when a city realized growth and has many decisions to make. The mayor and manager, and city council can work together to divest responsibilities.

The task force members discussed their varied opinions regarding what constitutes a change of form of government and what issues to add to the draft legislation.

Mr. Rees stated that there is a lack of clarity and it might help to define the default expectations and responsibilities of certain offices in each form of government. He suggested that if a city goes beyond the flexibility level, then the changes should go to the vote of the people.

Chair Walker stated that she hates to see major changes made when for the most part the system is working throughout the state. She asked staff to use S.B. 41 as a beginning and integrate the League's recommendations before the task force meets again.

5. Other Items / Adjourn

Future meetings were scheduled for Monday, July 23, 2007 for a full day and August 22, 2007.

MOTION: Rep. Tilton moved to adjourn the meeting. The motion passed unanimously. Sen. McCoy, Rep Dougall, Rep. Hughes, and Rep. Morgan were absent for the vote.

Chair Walker adjourned the meeting at 3:45 p.m.